

AN ACT to amend Chapter 987 of the Public Acts of 1998, as amended by Chapter 50 of the Public Acts of 2007, relative to the portion of ad valorem tax revenues allocated and deposited into community redevelopment trust funds pursuant to the "Community Redevelopment Act of 1998."

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:**

Section 1. Chapter 987 of the Tennessee Public Acts of 1998, as amended, is further amended by deleting Section 21(a) in its entirety and substituting instead the following:

There shall be established for each community redevelopment agency created under Section 9 a redevelopment trust fund. Funds allocated to and deposited into this fund shall be used by the agency to finance or refinance any community redevelopment it undertakes pursuant to the approved community redevelopment plan. No community redevelopment agency may receive or spend any increment revenues pursuant to this section unless and until the governing body has, by ordinance, provided for the funding of the redevelopment trust fund for the duration of a community redevelopment plan. Such ordinance may be adopted only after the governing body has approved a community redevelopment plan. The annual funding of the redevelopment trust fund shall be in an amount not less than that increment in the income, proceeds, revenues, and funds of each taxing authority derived from or held in connection with the undertaking and carrying out of community redevelopment under this act. Such increment shall be determined annually and shall be that amount equal to ninety-five percent (95%) of the difference between:

(1) The amount of ad valorem taxes levied each year by each taxing authority, exclusive of any amount from any debt service millage, on taxable real property contained within the geographic boundaries of a community redevelopment area; and

(2) Either (A) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for each taxing authority, exclusive of any debt service millage, upon the total of the assessed value of the taxable real property in the community redevelopment area as shown upon the most recent assessment roll used in connection with the taxation of such property by each taxing authority prior to the effective date of the ordinance providing for the funding of the trust fund; or, in the alternative, if so determined by the governing body of the county at the time of the adoption of such ordinance,

(B) The amount of ad valorem taxes which would have been produced by the rate upon which the tax is levied each year by or for each taxing authority,

exclusive of any debt service millage, upon the total of the assessed value of the taxable real property, and tax-exempt real property coming onto the tax roll pursuant to the community redevelopment plan, in the community redevelopment area as shown upon the most recent assessment roll used in connection with the taxation or exemption of such property by each taxing authority prior to the effective date of the ordinance providing for the funding of the trust fund.

However, the governing body of any county may determine that the amount to be funded by each taxing authority annually shall be less than ninety-five percent (95%) of the difference between paragraphs (1) and (2), but in no event shall such amount be less than fifty percent (50%) of such difference.

(3) In the event that the governing body of the county chooses to use the valuation provided in subsection (a)(2)(B), the value of tax-exempt property coming onto the assessment rolls pursuant to the community redevelopment plan shall equal the appraised value of such tax-exempt property as shown upon the most recent assessment roll used in connection with the exemption of such property by each taxing authority prior to the effective date of the ordinance providing for the funding of the trust fund, and if no such assessment appears, the value shall be the appraised value at the time the appraised value of such property first appears on the assessment roll.

Section 2. This act shall take effect upon becoming a law, the public welfare requiring it.